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Supplemental Security Income (SSI) Payments for Emancipating Foster Youth

Background

In California, approximately 4,000 foster youth emancipate out of the foster care system each year after they reach the age of 18. Once that occurs, their foster care benefits, which are cash payments made to foster parents for the care and supervision of children in state custody who are placed in their care, will cease.

An estimated 15-20 percent of these youth are eligible for Supplemental Security Income (SSI) benefits. SSI benefits are a potential revenue source for disabled foster youths who are about to leave the system and have no other income. CDSS alerted the Social Security Administration (SSA) that the existing SSI application process was problematic for disabled foster youths seeking to apply for benefits before leaving foster care. Subsequently, SSA's willingness to take action on CDSS's recommendation ensures that these youths will not experience a lapse in financial aid and continue to have much-needed income after they leave foster care to live on their own.

CDSS Secures Unprecedented Federal Approval to Change SSI Process

In a historic shift in federal policy, CDSS received federal approval in January 2008, from the SSA to allow disabled foster youth to apply for SSI benefits before they turn 18 years of age and emancipate out of the foster care system. This authority is enabling California to move forward with implementing the provisions mandated by Assembly Bill 1331 (Evans). Under AB 1331, the state's 58 counties can transfer a foster youth's case from federal foster care benefits to state foster care benefits for one month to allow SSA to accept and process SSI applications before a foster youth turns 18.

Together, CDSS and SSA found a workable solution that will better serve the foster youth population in California. In coordination with the counties and federal officials, CDSS has provided instructions and guidelines to the counties on the implementation of AB 1331, which technically became effective January 1, 2008. Counties are being encouraged to implement provisions of AB 1331 within the limits of their existing allocations, although, AB 1331 did not provide a current year appropriation. The Governor's Budget for 2008-09 contains funding to begin full implementation in July 2008, pending enactment of the budget.

Benefits of Earlier SSI Payments to Disabled Foster Youth

AB 1331 recognizes that federal law and regulations prohibit a child from applying for SSI until the month before their emancipation. AB 1331 seeks to remedy the plight of emancipated disabled foster youth by requiring that counties, which act as official payees for foster youth, screen disabled foster youth in care for potential SSI eligibility when they are between 16.5 and 17.5 years of age. By allowing California counties to transfer a

foster youth's case from federal foster care benefits to state foster care benefits for one month to allow for an application for SSI to be accepted and processed, emancipated youth may have access to approved disability payments immediately after they leave foster care.

Applying for SSI during that one month when the child is receiving state-funded foster care payments will allow the SSA to process the claim and make a disability determination using child criteria before age 18, which will benefit the foster youth by having an approved application in place prior to exiting foster care. This process provides a stable source of income for foster youth upon emancipation. With this federal approval in place, eligible foster youth may submit an application to receive SSI up to 12 months before they actually transition out of foster care.

Foster Youth and SSI

The Foster Care (FC) Program provides support for the board and care needs of abused and neglected children who require out-of-home care. California has both a Federal and State FC Program. The Federal FC Program is mandated and governed by federal statute and regulations; the State FC Program is mandated by state statute and regulations and serves children who are not eligible for the federal program. For disabled foster youth, the county may act as the child's representative payee for purposes of federal SSI benefits.

SSI is a federal program run by the SSA that pays monthly benefits to people with disabilities who have limited income and property. The two determining factors for foster youth SSI eligibility are income and disability. Disabilities include but are not limited to blindness, deafness, inability to walk, HIV, developmental disabilities and mental health problems.

With respect to income, a foster youth will be denied SSI benefits if his or her federal foster care payment exceeds the amount of the SSI benefit. A foster youth with this type of disqualifying income will be immediately denied benefits without a determination of disability. For these foster youth who are income-ineligible, the SSA will only accept an application for SSI benefits one month before the youth is scheduled to leave foster care, and the foster youth, who will soon have no source of income, then satisfies the income criterion for SSI benefits. The application process can continue for 6-12 months after their foster care benefits have been terminated, leaving the foster youth with no financial resources.

National Governor's Association (NGA)

California was one of six states chosen to participate in the National Governor's Association (NGA) Policy Academy on Youth Transitioning Out of Foster Care. The Academy, which began in June 2006, provided a unique opportunity for teams of state leaders to work with national and state experts to improve outcomes for youth transitioning from foster care to adulthood. In keeping with the spirit of AB 1331, California is working to implement best practices in California to help improve foster youths' transition to adulthood, specifically in the areas of permanency, education and employment. The Policy Academy workgroup has issued formal recommendations to systematically address key challenges and improve transition outcomes for foster youth.

